

TOWNSHIP OF LANARK HIGHLANDS
SEWER & WATER PROJECT

Public Information Session
Monday, October 26, 2009



LANARK HIGHLANDS

AGENDA

1. INTRODUCTION
2. PROJECTED COSTS & FINANCING
30-Minute Question Answer Period
3. PRELIMINARY DESIGN OVERVIEW
4. TREATMENT PLANT – ESR ADDENDUM SUMMARY
5. QUESTIONS & ANSWERS
6. CLOSING REMARKS & ADJOURN

The Sewer and Water Project evolved out of an Environmental Study Report initiated by the 2001 Township Council. That extensive study - completed in 2008 - recommended the installation of a full communal sewer and water system in Lanark Village as the only suitable approach to permanently eliminating a rising drinking water and water aquifer contamination problem existing in Lanark Village.

The importance of modern water and sewage treatment services as a spur to the economic revitalization of the Township's commercial core; to the growth and diversification of our tax base and to financial health and sustainability into the future were also identified as key project drivers.

Our present Council authorized the Project's preliminary design in the spring of 2008. Having now (on September 8th, 2009) received the project cost projection based on the preliminary design to date, the Mayor and members of Council are very pleased to welcome you and to deliver the information you'll receive tonight.

WHY THIS PROJECT ?

- ▶ ***ELIMINATE DRINKING WATER CONTAMINATION***
- ▶ ***ELIMINATE AQUIFER & SOURCE WATER CONTAMINATION***
- ▶ ***REJUVENATE THE TOWNSHIP'S COMMERCIAL CORE***
- ▶ ***DIVERSIFY THE TOWNSHIP'S TAX BASE***
- ▶ ***BE COMPETITIVE WITH SURROUNDING COMMUNITIES***
- ▶ ***LONG-TERM FINANCIAL HEALTH & SUSTAINABILITY***

OUR ASSESSMENT BASE IS ALMOST TOTALLY RESIDENTIAL

HEAVY TAX BURDEN ON OUR HOMEOWNERS

RESIDENTIAL TAXES 96%

FARM & FOREST TAXES 2.1%

COMM. INDUSTRIAL TAXES 1.9%

VERY RESTRICTED FINANCIAL BASE FOR OUR TOWNSHIP

PROJECT COSTS & FINANCING

ASSUMPTIONS WORST CASE SCENARIO

- SERVICE TO VILLAGE CORE ONLY
- MAXIMUM 2/3 FED-PROV. FUNDING
- NO AFTER-BUILT FED / PROV. FUNDING
- DESIGN COSTS WILL NOT BE FUNDED
- GROWTH - 4 HOUSEHOLDS PER YEAR OVER 20 YEARS
- MANDATORY CONNECTION TO SYSTEM
- WILL NOT RECEIVE \$400,000 FCM GRANT

\$28.5 MILLION SEWER & WATER PROJECT COST INCLUDES

- ▶ Design
- ▶ Construction & Construction Admin.
- ▶ General Admin (Township)
- ▶ Land Acquisitions
- ▶ Legal Services
- ▶ Decommissioning Of Wells & Septic Systems

PROJECT COST BREAKDOWN

CONSTRUCTION <i>(excluding Sewage treatment Plant)</i>	\$ 21 MILLION
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SEWAGE TREATMENT PLANT	\$ 3.5 MILLION
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OTHER COSTS <i>(DESIGN, CONST. ADMIN., ETC.)</i>	\$ 4 MILLION
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\$ 28.5 MILLION

SPENT TO DATE

PRE PROJECT

Env. Study Report	\$ 348,000	}	2001 to 2008
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PROJECT

Prelim. Design	603,596	}	2008 to 2009
2 nd Line Reconstruction Design	23,933	}	
Land Acquisition	106,848	}	
Administration	124,742	}	
Legal	675	}	

\$ 1, 207, 794

PROJECT REVENUES

Investment	\$ 7, 900,000
From Sale of PUC	265,000
Fed / Prov Funding	17, 816, 089
	\$ 25, 981, 089

USE OF PUBLIC UTILITIES SALE PROCEEDS - \$613,000

<i>Environmental Study Report</i>	<i>\$ 348,000</i>
<i>Spent on Project</i>	
<i>Land Acquisition</i>	<i>\$ 106,848</i>
<i>Twsp. Admin, & Prelim. Design</i>	<i>\$ 158,152</i>
	<i>\$ 265,000</i>
	<i>\$ 613,000</i>
<i>BALANCE - ZERO</i>	

**SHARE OF NET COST
TO ALL LH TAXPAYERS**

MUNICIPAL BUILDINGS <i>4% of net project cost</i>	\$ 100,756
COMMERCIAL REVITALIZATION <i>1% of net project cost</i> <i>Benefits all Township homeowners</i>	\$ 25,189
SEPTAGE TREATMENT <i>Benefits all Township homeowners</i>	\$ 159,507
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	\$ 285,452

**TAX IMPACT
ON ALL TAXPAYERS**

***\$10.53 per year
for 10 YEARS***

On a home assessed at \$150,000

***DIFFERENCE TO BE MADE UP BY
VILLAGE HOUSEHOLDS***

PROJECT COST		\$ 28,500,000
REVENUES	\$ 25, 981, 089	<div style="font-size: 3em; line-height: 1;">}</div> \$ 26, 576,812
TWSP TAXPAYERS	\$ 285,452	
NEW DEVELOPMENT	\$ 251,891	
OTHERS (ie: School Boards)	\$ 58,380	
		\$ 1, 923,188

***VILLAGE HOUSEHOLDER'S
SHARE OF PROJECT COST***

- ▶ 312 equivalent households
- ▶ If Cost equally shared among equivalent households

\$ 6,164
per household

***MONTHLY COST
PER VILLAGE HOUSEHOLD***

if project cost share financed over 15 years

Project Cost Share	\$ 47
Operation & Maintenance	\$ 58
Capital Reserve	\$ 13
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	\$ 118

***MONTHLY COST
PER VILLAGE HOUSEHOLD***

if project cost share paid up front

Project Cost Share	-
Operation/Maintenance	\$ 58
Capital Reserve	\$ 13
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	\$ 71

PLUS - POTENTIAL ONE-TIME COSTS TO VILLAGE HOMEOWNER

- ▶ **Water piping from street** \$60/meter – if installed with sewer line
 - ▶ **Sewer piping from street in excess of 40 meters** PROPOSED
 - ▶ **Internal plumbing**
 - ▶ **Sewer & water connections**
 - ▶ **Rendering well connections unusable**
 - ▶ **Water meter installation & inspection**
- } up to \$ 3,000

IN SUMMARY

ASSUMING WORST CASE SCENARIO

VILLAGE HOUSEHOLDERS

\$ 1, 923,188
Share of net project cost

\$ 6,164
per household

\$ 118
All-in per month
if project cost share
financed for 15 years

\$ 71
All-in per month
if project cost share
paid up front

+ potential
one-time costs

ALL TAXPAYERS

\$ 285,452
Share of net project cost

\$10.53
per year - for 10 years

**IF WORST CASE SCENARIO
IS BETTERED**

- ▶ **All of Village Serviced**
- ▶ **\$400,000 FCM Grant Received**

VILLAGERS

\$ 4,211
per household

\$ 103
All-in per month
if project cost share
if financed for 15 years

\$ 65
All-in per month
if project cost share
paid up front

**ALL
TAXPAYERS**

\$ 8.85
per year - for 10 years

+ potential
one-time costs